



New gTLDs Differentiation: Do Good

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Congratulations! The Internet Corporation for Assigned Names and Numbers ([ICANN](#)) has approved your application for a [new generic top-level domain \(gTLD\)](#) extension. Now what?

To create a profitable gTLD you must differentiate your offerings. This essay focuses on how to differentiate by being [socially responsible](#).

In general, differentiation can be implemented through a lower product price and/or a better quality of user experience. I focus on the latter, with emphasis on limiting registrations of socially undesirable domain names that infringe on trademarks.

Although ICANN has worked with brand owners and trademark experts to find a solution to the inappropriate use of brands in new domain names, new gTLD owners can take additional measures to differentiate themselves. Not being vigilant about protecting trademarks would leave the handling of violations in the hands of IP monitoring companies, and thus siphon away your additional profits.

Differentiation, in general, involves asking yourself, “What can I do that no one else can?” You want to create a TLD with an economically viable unique signal and personality. For example, although the implied signal of dot-name and dot-me is a personal Web address, the latter has more personality because it capitalizes on emotions—the me factor—and that has contributed to the gTLD’s success. Of course, it’s not like every new gTLD can count on having a unique signal. But a gTLD that isn’t unique has a steeper hill to climb and, other things being equal, will bring in less of a profit.

You should keep in mind that the previous additions to the TLD space, such as dot-name, dot-biz, and dot-info, have failed to meet demand expectations because they lack personality and the sponsoring registries failed to market them. Thus, you must [start marketing now](#).

Differentiation based on doing good allows you to provide a desirable product to a niche market by satisfying users’ need to signal (location, community, or brand name). Brand owners, Internet users, employees, and you benefit from such a

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differentiation strategy. For one thing, the strategy alleviates brand owners' fear of IP dilution. For Internet users, brand misrepresentations in domain names increase search costs. Moreover, when employees feel good about their company, they become more productive and innovative. And a positive corporate image will allow you to expand into adjacent lucrative TLDs as long as you maintain focus on quality of experience.

Keep in mind that reputation travels fast, thanks to social media and technology that make the public more aware of corporate behavior. Moreover, because abandoning social responsibility in the future is value destroying, your customers don't have to worry about your trustworthiness, and thus they can maintain their trust in your gTLD.

On the other hand, competing solely on price has a number of drawbacks and limitations. (See, for example, [Rafi Mohammed's recent article](#) in the *Harvard Business Review*).

There is ample evidence of the positive consequences of corporate social responsibility. For new gTLDs, although preregistration constraints on trademark use increase operating costs, doing good pays off in the long run through higher revenues and lower risk of slowdown in the growth of new registrations and renewals. ■